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Dean Furbush

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EXAMINER

SUBRAMANIAN, NARAYANSWAMY

ART UNIT

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/903,388	Applicant(s) FURBUSH ET AL.	
	Examiner Narayanswamy Subramanian	Art Unit 3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 12 January 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-33 is/are pending in the application.
- 4a) Of the above claim(s) 18-28 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-17 and 29-33 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 09 July 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This office action is in response to applicant's communication of January 12, 2008. Applicant's election of claims 1-17 and 29-33 in response to election/restriction is acknowledged by the Examiner. Claims 18-28 have been withdrawn from consideration as being drawn to a non-elected invention. Applicants are respectfully requested to cancel the non-elected claims 18-28 in response to this office action. Claims 1-17 and 29-33 have been examined. The rejections are stated below.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-17 and 29-33 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter.

35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added).

Claims 1-17 are drawn to "a system for an electronic market for trading of securities, comprising: a client station for entering an order for executing against any Market Participant that can at least in part satisfy the order; and with the client station displaying a graphical user interface (GUI) that allows the user to choose a priority type for how the order interacts with contra side quotes/orders in the market". The limitations "for entering an order for executing against any Market Participant that can at least in part satisfy the order" and "that allows the user to choose a priority type for how the order interacts with contra side quotes/orders in the market"

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are interpreted as intended use of the entered order and the displayed GUI. Claims 29-33 are drawn to “a computer program product for an electronic market for trading of securities comprises instructions for causing a computer to: receive orders entered from a client station the orders for execution against any market participant that can at least in part satisfy the order; and determine a priority type for how the order interacts with contra side quotes/orders in the market”. The limitations “orders for execution against any market participant that can at least in part satisfy the order” and “for how the order interacts with contra side quotes/orders in the market” are interpreted as intended use of the received orders.

As such the claimed invention is directed to a judicial exception to 35 U.S.C. 101 (i.e., an abstract idea, natural phenomenon, or law of nature) and is not directed to a practical application of such judicial exception because the claims do not require any physical transformation and the invention as claimed does not produce a useful, concrete, and tangible result. Claims 29-33 are drawn to “a computer program product for an electronic market for trading of securities comprises instructions for causing a computer to: receive orders entered from a client station the orders for execution against any market participant that can at least in part satisfy the order; and determine a priority type for how the order interacts with contra side quotes/orders in the market”.

The Court of Appeals for the Federal Circuit issued opinions in *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F. 3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998) and *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 50 USPQ2d 1447 (Fed. Cir. 1999). These decisions explained that, to be eligible for patent protection, the claimed invention as a whole must accomplish a practical application. That is, it must produce a “useful, concrete and

tangible result.” State Street, 149 F.3d at 1373-74, 47 USPQ2d at 1601 02. To satisfy section 101 requirements, the claim must be for a practical application of the § 101 judicial exception, which can be identified in various ways: (a) The claimed invention “transforms” an article or physical object to a different state or thing. (b) The claimed invention otherwise produces a useful, concrete and tangible result, based on the factors discussed below.

The USPTO’s official interpretation of the utility requirement provides that the utility of an invention has to be (i) specific, (ii) substantial and (iii) credible. See MPEP § 2107. The claimed invention does not meet this requirement. It is not clear as to what are the utilities of “allowing the user to choose a priority type for how the order interacts with contra side quotes/orders in the market” and “determining a priority type for how the order interacts with contra side quotes/orders in the market” respectively.

The tangible requirement does require that the claim must recite more than a § 101 judicial exception, in that the process claim must set forth a practical application of that § 101 judicial exception to produce a real-world result. Benson, 409 U.S. at 71-72, 175 USPQ at 676-77 (invention ineligible because had “no substantial practical application”). It is not clear as to what real world result is produced by implementing the claimed invention. It is not clear as to what real world results are produced by “allowing the user to choose a priority type for how the order interacts with contra side quotes/orders in the market” and “determining a priority type for how the order interacts with contra side quotes/orders in the market” respectively.

For an invention to produce a “concrete” result, the process must have a result that can be substantially repeatable or the process must substantially produce the same result again. In re Swartz, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000) (where asserted result

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produced by the claimed invention is “irreproducible” claim should be rejected under section 101). The opposite of “concrete” is unrepeatable or unpredictable. The limitations of the claimed invention are not sufficiently precise to guarantee that result that is substantially repeatable or the process produces the same result again.

There is no useful, concrete and tangible result produced from implementing the steps of the claimed invention. The dependent claims are rejected for the same reason and by way of dependency on a rejected independent claim.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 2-17 and 29-33 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential elements, such omission amounting to a gap between the elements. See MPEP § 2172.01. The omitted elements are: Claims 29-33 recite the limitation “receive orders entered from a client station the orders for execution against any market participant that can at least in part satisfy the order; and determine a priority type for how the order interacts with contra side quotes/orders in the market”. It is not clear how these two limitations are related. The elements relating the two limitations are missing. Also the limitations “that can at least in part satisfy the order” and “how the order interacts” are not clear. Specifically it is not clear what order the Applicants are referring to because a plurality of orders are received.

Similar defects are present in other dependent claims 2-17, for example claims 2 and 3. For instance in claim 2 it is not clear how the server system is related/connected/linked to the

client station in claim 1. In claim 3 it is not clear as to what is the relationship between “the non-directed order” and “entered order”. Applicants are respectfully requested to correct these defects in response to this office action.

Claims 1-17 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 1 claims a system but recite the steps of a method. Claims 1-17 are not sufficiently precise due to the combining of two different statutory classes of invention in a single claim. The preamble the claim refers to a system. The system starts by claiming an element of an apparatus “a client station for entering an order” and then discusses the specifics of a method “the client station displaying a graphical user interface that allows the user to choose a priority type for how the order interacts with contra side quotes/orders in the market”. A claim is considered indefinite if it does not apprise those skilled in the art of its scope. *Amgen, Inc. v. Chugai Pharm. Co.*, 927 F. 2d 1200, 1217 (Fed. Cir. 1991). Similar defects are present in other dependent claims for instance claim 9. Applicants are respectfully requested to correct these defects in response to this office action. Appropriate clarification/correction is required for all these claims.

Dependent claims 2-17 and 30-33 recite limitations such as “the non-directed order”, “marketable limit order”, “Liability Order”, “priority that is strict price/time, or price/size/time, or price/time”, “ECN”, “ECN access fees”, “UTP Exchanges”, “non-attributable agency orders of UTP Exchanges”, “principal quotes of UTP Exchanges”, “separate quote-access fee”, “separate quote-access fee to non-subscribers” which are not clear. Appropriate clarification/correction is required for all these claims.

Also in claim 9, the limitation “if the order is still not satisfied at that level of priority” is not clear. It is not clear which level of priority the applicants are referring to.

Further, in claim 10, the limitation “the reserve size is executed against based on the size of the related displayed quote, not the total amount held in reserve” is not clear.

In view of these ambiguities the examiner is unable to provide art rejections for these claims.

Conclusion

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure are listed on the attached form PTO-892.

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached at (571) 272-6771. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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/Narayanswamy Subramanian/

Primary Examiner

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March 10, 2008